

NO: R213

COUNCIL DATE: December 12, 2022

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **December 8, 2022**

FROM: **General Manager, Corporate Services** FILE: **1220-040**

SUBJECT: **Award of Contract 1220-040-2022-041 for Vehicle Towing and Secure Storage Services**

RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Receive this report for information;
2. Award Contract 1220-040-2022-041 for Vehicle Towing and Secure Storage Services for an initial seven (7) year term, with the City's option to extend the contract for an additional three (3) year term (the "Contract") to Clover Towing Ltd. ("Clover Towing"); and
3. Authorize the General Manager, Corporate Services to execute the Contract and approve the optional three (3) year extension and execute the related Contract amendments.

INTENT

The purpose of this report is to seek authorization to enter into a seven (7) year contract with Clover Towing for Vehicle Towing and Secure Storage Services, with the City's option to extend the contract for an additional three (3) year term.

BACKGROUND

Towing services are required by the City's Bylaw Services staff and the RCMP in the conduct of their duties. This includes towing services related to illegally parked vehicles, abandoned vehicles, vehicles involved in motor vehicle accidents, and vehicles seized by the RCMP related to criminal investigations. The City's Engineering Department (Fleet Services) also use towing services for City fleet vehicle towing mainly due to breakdowns (including jumpstarts in the event of drained vehicle batteries), while City vehicles are out in the field.

Towing services may also be arranged independently by the public as a means of managing parking violations on private property or to transport privately-owned vehicles to alternative locations as required by the customer.

The service provider acts on behalf of the City as the sole provider of the service for the term of the contract. In exchange for this opportunity, the City derives a source of revenue from the service provider. The annual revenue received by the City in this regard has typically exceeded its

expenditures. Accordingly, over the past five (5) years (2018 to 2022) the City has derived a net surplus from the towing services contract that averages approximately \$250,000.00 annually.

Clover Towing has been the City's service provider for Vehicle Towing and Secure Storage Services since March 1st, 2015.

DISCUSSION

In July of 2022, the City released Request for Quotations 1220-040-2022-041 (the "RFQ") for Vehicle Towing and Secure Storage Services.

As per the RFQ, the service provider is required to provide towing and vehicle storage services on a twenty-four (24) hours-a-day, seven (7) days-per-week basis. The general components of the towing and storage work of the contract include, but are not limited to the following:

- Bylaw Impounded Vehicles;
- Abandoned Vehicles and RCMP Storage;
- Motor Vehicle Accidents;
- Abandoned Vehicles;
- Police and City-Owned Vehicles;
- Vehicles related to Police Investigations; and
- Non-City Owned Vehicles Requiring Relocation.

In addition to the above, the RFQ included the following requirements:

1. A vehicle storage (tow yard) site located in the City of Surrey that is accessible to the public by transit;
2. That the tow yard site is able to accommodate an average of 650 vehicles per day (which includes maximum size tractor-trailer combinations simultaneously) with capacity for storage of over 700 vehicles per day;
3. A Guaranteed Minimum Annual Revenue payable to the City;
4. A separate secured (enclosed) area for vehicles seized by the RCMP for criminal investigation purposes;
5. Identification of all the equipment and personnel that the contractor would have available to provide the contract services; and
6. A computerized towing management software system owned and operated by the service provider that is fully accessible by the City and the RCMP via a web-based portal.

SUBMISSIONS & ANALYSIS

Two proponents responded to the RFQ as follows:

- Unitow Services (1978) Ltd ("Unitow"); and
- Clover Towing Ltd.

Both proponents are prominent tow service providers within the Metro Vancouver Region and have been in operation for a considerable number of years.

EVALUATION

The proposals were evaluated by an evaluation team comprised of representatives from the Corporate Services Department (Bylaw Services), Community Services Department (Police Support Services), and Engineering Department (Engineering-Operations). Each proposal was reviewed in accordance with the City Purchasing Guidelines.

Each proposal was evaluated based on a number of criteria, including the following:

- Experience in delivering similar services;
- Tow yard, equipment and personnel;
- References; and
- Financial considerations.

The evaluation process included a site visit by the Evaluation Team to each proponent's respective tow yard site.

Unitow Services (1978) Ltd

Unitow was the towing services contractor for the City between 1996 to 2015. Following the evaluation process, the evaluation team concluded that Unitow does not possess a suitable site and infrastructure required to deliver vehicle towing and secure storage services in accordance with the City's requirements as set out in the RFQ document, including the following:

1. the requirement for a sufficiently sized site with suitable infrastructure;
2. the requirement of a sufficiently sized fleet; and
3. the requirement for the service provider to provide services for the entire City.

Clover Towing

As reflected earlier in this report, Clover Towing is the incumbent service provider.

Clover Towing possess a sufficiently sized site located at 5340 192 Street in Surrey, as well as suitable infrastructure, including a large fleet, to continue providing vehicle towing and secure storage services for the entire City.

Clover Towing has guaranteed an annual revenue share of \$240,000.00 in year one (1) of the Contract with a 3% compounded increase in all subsequent years of the Contract which translates into a stable projected revenue growth stream for the City for the term of the Contract. Clover Towing has agreed to pay a Guaranteed Minimum Annual Revenue Amount to the City for the initial seven (7) year term in the amount of \$1,838,990.92 and for the optional three (3) year term in the amount of \$912,340.11 for a 10-year total in the amount of \$2,751,331.03.

Clover Towing has been providing excellent service to the City since March 1st, 2015.

Based on the above, the evaluation team recommends that Contract 1220-040-2022-041 for Vehicle Towing and Secure Storage Services be awarded to Clover Towing.

LEGAL SERVICES REVIEW

This report has been reviewed by Legal Services.

CONCLUSION

The City released Request for Quotations 1220-040-2022-041 for Vehicle Towing and Secure Storage Services earlier this year. Based on the information contained in this report, it is recommended that this service be awarded to Clover Towing. Clover Towing is the incumbent service provider and has provided excellent services to the City's since March 1st, 2015.

Rob Costanzo
General Manager, Corporate Services